

I. INTRODUCTION

The following is a summary of the Request for Proposals (“RFP”) that was issued by the Solid Waste Division for the purpose of selling landfill gas generated at the Cedar Hills Regional Landfill so that it can be used for energy production.

This summary provides an overview of the project only and does not contain all information necessary to prepare an actual Proposal. Those interested in preparing a Proposal must contact Ken Curl, Contract Specialist, at (206) 684-1376 in order to obtain a complete Request for Proposals. Completed Proposals must be submitted to King County no later than **4:00 p.m., December 18, 2001**.

II. PROJECT BACKGROUND

A. General

The King County Department of Natural Resources, Solid Waste Division, currently manages landfill gas (LFG) generated at the Cedar Hills Regional Landfill (Landfill) by combusting the LFG in a flare system. The County believes that the Landfill generates gas in sufficient quantities to be a commercially viable alternative fuel source for electricity generation or other energy production.

The County believes that the information contained herein is accurate as of the date of the RFP. Nonetheless, this RFP does not grant any rights to any Purchaser, and the County makes no representations, warranties or admissions regarding the correctness of: (1) any of the information contained in this RFP, (2) other County documents or communications that may be associated with the RFP, or (3) any conclusions the Purchaser may make based on information contained in or associated with this RFP. This RFP also contains certain forward-looking statements that may change as circumstances change. Therefore, Purchasers are encouraged to undertake their own investigations with respect to their Submittals. The County is considering surplusing this gas for sale to a Purchaser. King County seeks proposals from Purchasers who are interested in purchasing LFG generated at the Cedar Hills Regional Landfill. Once the LFG is purchased, Purchasers have two options:

- Option 1: Transport the LFG off the Landfill for energy generation purposes; or
- Option 2: Utilize the purchased LFG on the Landfill site for the generation of electricity.

For Option 2, the Purchaser would be responsible for the design, permitting, construction, operation, maintenance, decommissioning, and site restoration work for a LFG-to-energy power plant, including all treatment and other work necessary to meet environmental and power generation requirements, on property made available at the Cedar Hills Regional Landfill. In order to qualify for tax savings (Internal Revenue Services (“IRS”) Section 29 tax credits), the Purchaser

may, if applicable, need to include in its Proposal provisions for purchasing or leasing of the County's Flare system. However, it is the County's intent to continue to operate the Landfill's collection and Flare Systems.

Under either Option, the Purchaser must assume responsibility for the development of all necessary electrical transmission lines, gas transmission lines, interconnections, and other utilities necessary to take delivery of the LFG. Additionally, the Purchaser shall be responsible for decommissioning the Facility, including any appurtenant structures or pipelines, at the end of the Landfill Gas Sales Contract. The Purchaser's proposed Facility must operate in compliance with all permits, regulatory requirements, and equipment manufacturer's recommendations. The Facility must be sized to accept and use all LFG generated and guarantee continuous use (7 days per week; 24 hours per day) with minimal flaring and at least 90% Availability. In other words, downtime for any scheduled maintenance and unscheduled outages cannot exceed 10% of the days in any year.

The Landfill Gas Sales Contract will have a term that commences on the Effective Date and ends not less than fifteen (15) years from the Effective Date. The County will also include, in the Landfill Gas Sales Contract, options to be exercised at the County's sole discretion to extend the term of the Landfill Gas Sales Contract for up to ten (10) years. The Purchaser shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit discrimination. These laws include, but are not limited to, RCW Chapter 49.60, Titles VI, VII of the Civil Rights Act of 1964, and the Restoration Act of 1987.

III. King County's Objective

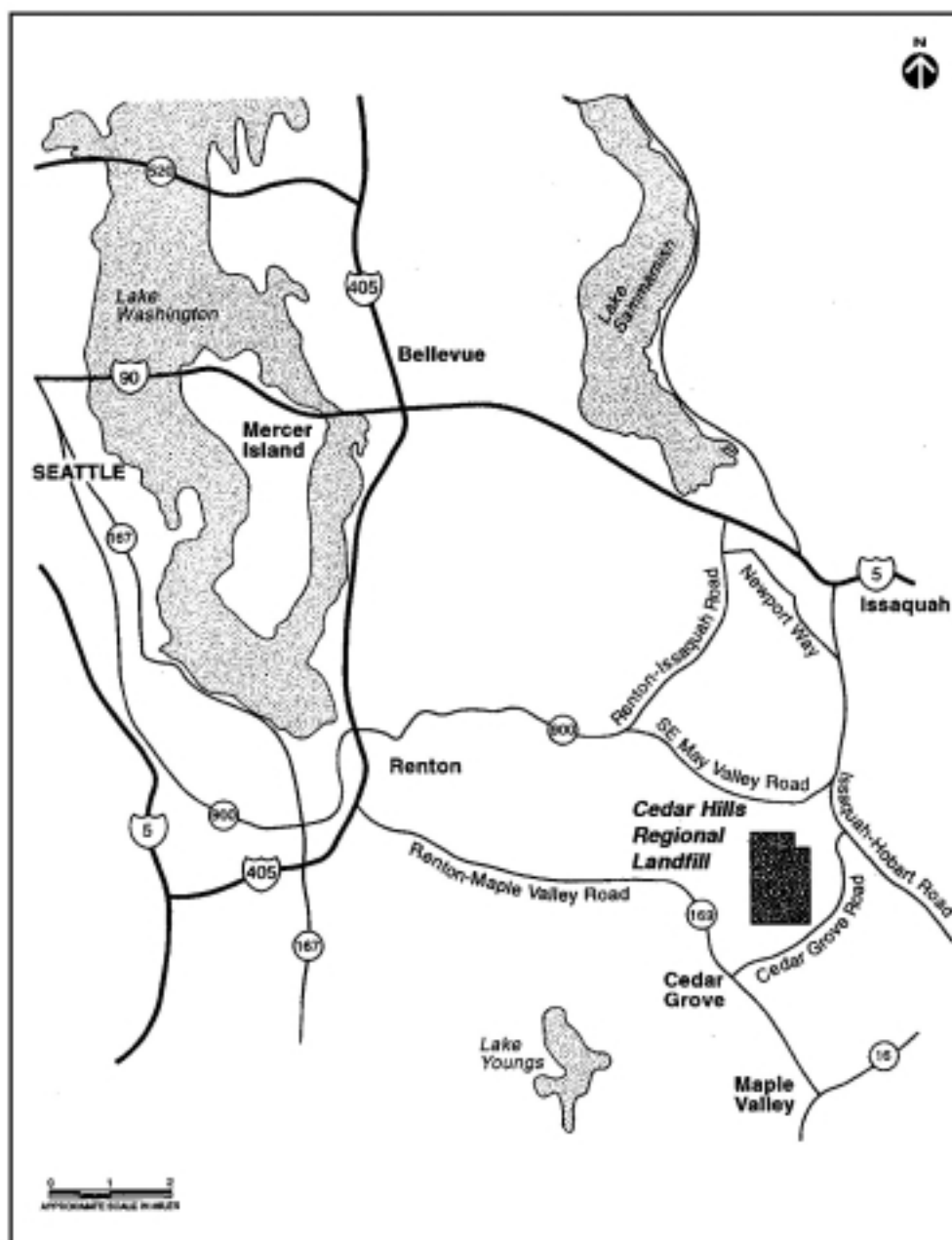
The County's objective is to sell LFG generated at the Cedar Hills Regional Landfill, a valuable green energy resource, so that it can be utilized as a marketable energy product as soon as possible. In so doing, the County is requesting proposals, which will also:

- address community issues and concerns
- minimize environmental impacts
- offer the greatest energy and financial benefits to the residents of King County.

IV. Cedar Hills Regional Landfill

The Cedar Hills Regional Landfill is a regional sanitary landfill serving King County and 37 suburban cities. The Landfill is located in eastern King County near Maple Valley, Washington. The location of the Landfill is shown in Figure 1, below:

FIGURE 1 LOCATION MAP



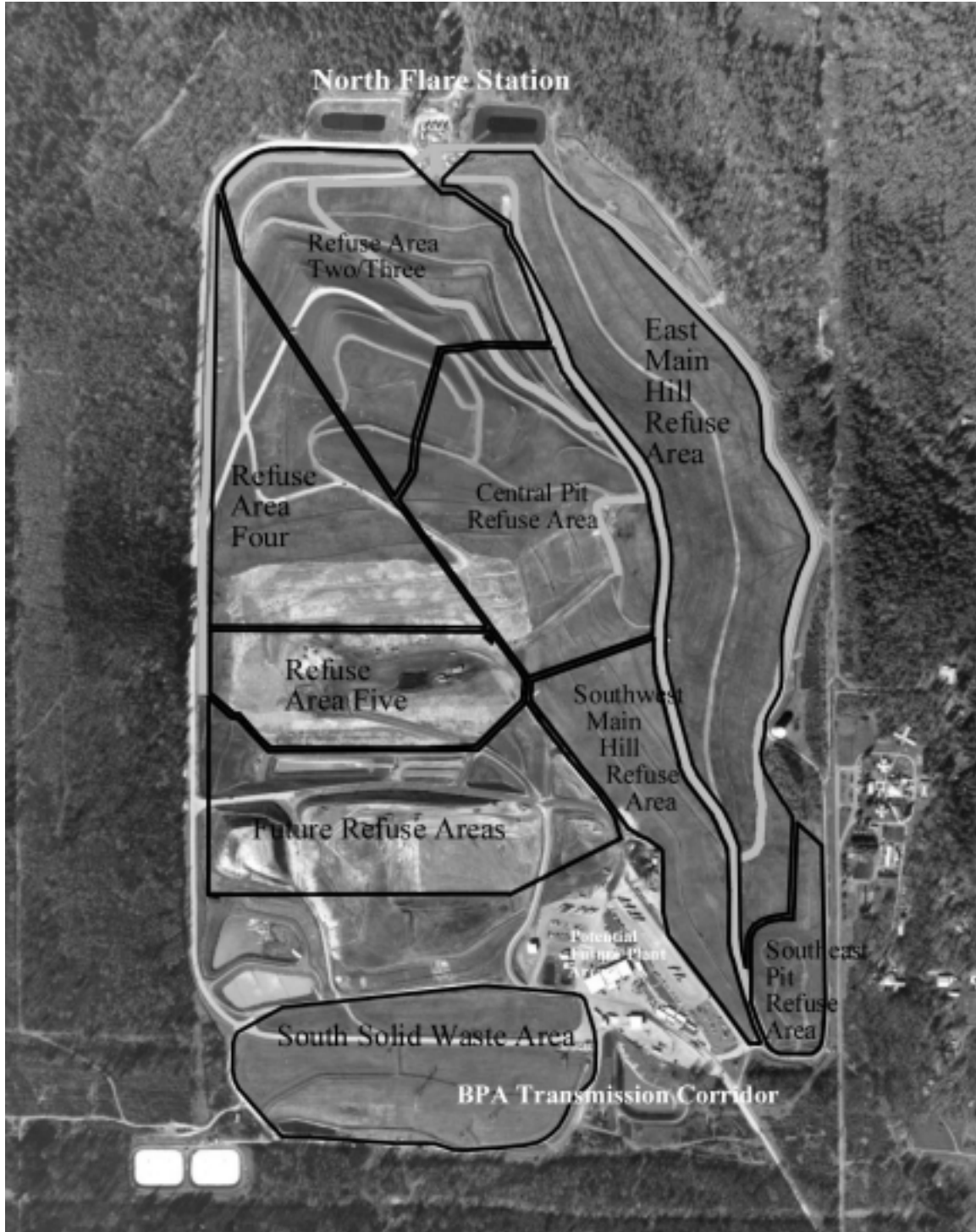
The Cedar Hills Regional Landfill began operations in 1962. To date, the Landfill has received approximately 25-million tons of municipal solid waste. Table 1 summarizes the tonnage received to date and projected tonnage through the planned closure date.

Table 1 Cedar Hills Regional Landfill
Annual and Cumulative Disposal Tonnage

Year	Annual Tonnage	Cumulative Tonnage
2000	947,174	24,135,629
2001*	935,000	25,070,629
2002	950,000	26,020,629
2003	968,000	26,988,629
2004	984,000	27,972,629
2005	1,000,000	28,972,629
2006	1,016,000	29,998,629
2007	1,031,000	31,019,629
2008	1,050,000	32,069,629
2009	1,071,000	33,140,629
2010	1,095,000	34,235,629
2011	1,103,000	35,338,629
<i>*Figures for 2001 through 2011 are projections.</i>		

The Cedar Hills Regional Landfill site is approximately 920 acres, of which approximately 345 acres will be filled with garbage when the Landfill is projected to reach capacity by 2012. Waste is currently being disposed in Area 5 of the Landfill. Current plans call for Areas 6 and 7 to be developed and filled by 2012. However, the County cannot guarantee that the Landfill will be filled to capacity. Development plans for the Landfill are subject to actions by the King County Council and the ability to obtain applicable permits from regulatory agencies. Figure 2, below, shows the general layout of the Landfill.

FIGURE 2 LANDFILL FOOTPRINT



V. Site Area

The County will make land available for the development of a Facility in a selected area of the Landfill. The County anticipates that such areas will be made available at

no additional consideration beyond the LFG Purchase Price. Figure 3, below, shows the areas available for development. Purchasers may use up to two (2) acres within one of these selected areas. If relocation or demolition of existing structures or facilities is required, Purchasers shall incorporate all costs thereof into their offered LFG Purchase Price. The costs for demolition and site restoration at the end of the Contract term shall also be incorporated into the offered LFG Purchase Price if development at the Landfill is a part of a specific Proposal.

Prior to design and construction of any on-site facilities, the Purchaser will be responsible for determining its utility needs, and for ensuring that capacity is available for each needed utility. During construction and operation, the Purchaser will also be responsible for protecting all private and public utilities from damage or interruptions of service.

FIGURE 3 SITE AREAS

